



Control Number: 51415



Item Number: 698

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Commissioner



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Thomas J. Gleeson
Executive Director

2021 NOV 19 PM 12:27

Public Utility Commission of Texas

TO: Darryl Tietjen, Rate Regulation

FROM: Stephen Journey, Commission Counsel

DATE: November 19, 2021

RE: Commission Request for Number Runs Based on November 18, 2021 Open Meeting Discussion Regarding Proposal for Decision in Docket No. 51415, *Application of Southwestern Electric Power Company for Authority to Change Rates*

The purpose of this memorandum is to request a number run to reflect the decisions of the Commission at the November 18, 2021 open meeting. The number run should reflect the recommendations of the State Office of Administrative Hearings administrative law judges in the proposal for decision (PFD) filed on August 27, 2021, as amended by the judges' correction letter dated November 9, 2021, and the following decisions of the Commission at its November 18, 2021 open meeting:

Rate base

- The Commission reversed the PFD and adopted SWEPCO's proposed self-insurance reserve plan.
- The Commission reversed the PFD and authorized SWEPCO to charge its Texas jurisdictional Hurricane Laura restoration costs against the self-insurance reserve addressed above.

Rate of return

- The Commission reversed the PFD's recommended ROE. Please generate a number run that reflects the overall rate of return proposed in the PFD, as modified by the Commission's adopted return on equity of 9.25%.

In addition to the changes identified in this memorandum, please make all attendant changes, including the applicable tax schedules. In your response, please include the updated schedules along with the Excel worksheets containing the schedules.

Please file a response by December 7, 2021. If additional time is needed for your response or if there are clarifying questions, please advise or file a request in this docket.

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